

ABSTRACT

A mortgage guaranty insurance policy is described having periodically adjusted premiums, the determination of said premiums being partially based on loan seasoning; and a claim settlement option chosen from the following: immediate lump-sum settlement, principal and interest payments being maintained for a fixed period prior to loan payoff, principal and interest payments being maintained until loan payoff is demanded by insured, principal and interest payments until the loan is paid off by the insurer. In one embodiment, the premium paid by the lender comprises the sum of individual premiums assigned to each loan in the insured portfolio, and each of said individual premiums are each adjusted according to separate fixed schedules. In another embodiment, the premium paid by the lender comprises the sum of individual premiums assigned to each loan in the insured portfolio, and said individual premiums are adjusted according to the same fixed schedule. In another embodiment, at least one premium adjustment includes a retrospective portion.